

**DOCKETED**

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*Comment Received From: Brian Herrington - Hawthorne Gardening Company*  
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## **2022 Energy Code Pre-Rulemaking**

*Additional submitted attachment is included below.*



November 10, 2020

California Energy Commission  
1516 9<sup>th</sup> Street  
Sacramento, CA 95814

To Whom It May Concern,

On behalf of The ScottsMiracle-Gro Company and its subsidiary The Hawthorne Gardening Company please find comments on the Title 24 Controlled Environment Horticulture Draft CASE Report 2022-NR-COV-PROC4-D. The Scotts Miracle-Gro Company is the largest manufacturer of consumer lawn and garden supplies and The Hawthorne Gardening Company is North America's largest distributor of hydroponic products and manufactures nutrients, plant supplements, growing media, climate control equipment, durables, and lighting for cultivators. Hawthorne also distributes thousands of other products used by cultivators in the operation of their growing environments. We currently employ 212 associates throughout the State of California at 5 different facilities.

Here at Hawthorne we are a sustainability-focused group of highly motivated individuals, eager to share our love of cultivation with the world. We applaud the State of California's efforts to increase energy efficiency and are partners in this endeavor. As a leading manufacturer of lighting used around the world in plant cultivation we have experts in not only lighting and energy but also plant biology and other facets of mechanical operations to help regulators understand how the proposed regulations can impact cultivation operations. Our most recent innovation, the Gavita 1700e LED, is an example of how we are helping to empower growers to be more energy efficient through innovation. Annually we are spending millions of dollars in research and development to bring innovations that lead on sustainability issues like energy efficiency to cultivators.

We encourage the CASE team to address two major issues with the CASE report, the indoor lighting standard and the standalone dehumidification standard.

### **Indoor Lighting Standard**

#### **Issue to Address**

We do not believe that the proposed photosynthetic photon efficacy (PPE) standard of 2.1  $\mu\text{mol}/\text{J}$  for indoor lighting is in the best interest of the state of California or the Controlled Environment Horticulture industry. Setting the industry standard at such a



high bar runs contrary to the standard practices for energy codes. Rather than cutting out the least efficient fixtures and incentivizing cultivators to switch to more efficient lighting fixtures over time, the report is forcing growers to use a technology which is currently only used by 4% of the indoor lighting market, according to a report by the United States Department of Energy.

While some growers have made the switch to these more efficient LED lights, they often do so with massive energy incentives from their utility providers. This is because these lights are currently around four times more expensive on average. By setting a statewide standard of 2.1  $\mu\text{mol}/\text{J}$  in the Energy Code, the state would essentially be mandating that utility companies use 2.1  $\mu\text{mol}/\text{J}$  as the baseline for all energy incentives going forward. This massively undercuts the ability for growers switching to LED lights to get significant rebates to the same extent, and may cut the incentives by 60-100%. Since switching to LED lights can cost growers at least \$60 per square foot, these incentives are incredibly valuable and we believe that undercutting them would place an additional financial burden on cultivators. While some may argue that cultivators will reduce energy usage reducing their costs on energy bills this assumption has not been proven. This is because cultivators typically need to increase energy usage in other mechanical systems to balance out the changes to the climate of the indoor growing environment.

### **Suggested Resolution**

We suggest that the indoor lighting PPE standard be lowered to 1.7  $\mu\text{mol}/\text{J}$  to allow utility companies to a better baseline for rebates for growers willingly switching to LED's, and to allow indoor cultivators the choice between two technologies. We are worried about the financial burden that the proposed standard could place on legal cannabis cultivators, adding a challenge to their ability to effectively diminish the illicit market. This would allow the state to eliminate the least energy efficient lighting while continuing to allow the market to support a smoother transition for growers and manufacturers to the more efficient lighting.

Please do not hesitate to contact us if you would like to discuss these comments or if you think we can be of other assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian H.' with a stylized flourish at the end.

Brian Herrington  
Director of Government Affairs